

April 15, 2024

Jay Formulations Limited: Continues to remain under issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Cash Credit	14.00	14.00	[ICRA]D; ISSUER NOT COOPERATING*. Rating Continues to remain under the 'Issuer Not Cooperating' category.
Long Term-Fund Based-Term Loan	13.00	13.00	[ICRA]D; ISSUER NOT COOPERATING*. Rating Continues to remain under the 'Issuer Not Cooperating' category.
Short Term-Interchangeable	(8.50)	(8.50)	[ICRA]D; ISSUER NOT COOPERATING*. Rating Continues to remain under the 'Issuer Not Cooperating' category.
Short Term-Non Fund Based-Others	13.25	13.25	[ICRA]D; ISSUER NOT COOPERATING*. Rating Continues to remain under the 'Issuer Not Cooperating' category.
Long Term / Short Term-Unallocated	0.07	0.07	[ICRA]D/[ICRA]D; ISSUER NOT COOPERATING*. Rating Continues to remain under the 'Issuer Not Cooperating' category.
Total	40.32	40.32	

*Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has kept the long-term and Short-Term rating of Jay Formulations Limited in the 'Issuer Not Cooperating' category. The ratings are denoted as [ICRA]D/[ICRA]D; ISSUER NOT COOPERATING"

As part of its process and in accordance with its rating agreement with Jay Formulations Limited, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities, Key Financial Indicator: [Click here](#) ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology Policy on default recognition Rating Methodology –Pharmaceuticals
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

Jay Formulations Limited (JFL) incorporated in 1988, is a professionally managed public limited pharmaceutical company and is engaged in contract manufacturing of a wide range of pharmaceutical formulations. The company was set up by Mr. Ashwin J Patel and operates out of the WHO approved and ISO, cGMP certified manufacturing facility located in GIDC Bavla, Gujarat which has installed capacity of manufacturing ~68 crores of tablets/capsules per annum. The company's product portfolio consists of generic drug formulations such as Ibuprofen, Ampicillin, Azythromycin, Diclofenac and Amoxyllin etc. in tablet, capsules and dry syrup forms. The company is currently managed by Mr. Rakshit Patel who has taken over the company from his father Mr. Ashwin Patel. The current management has shifted focus from institutional sales (Government bodies) to contract manufacturing for MNCs and export market players to ensure growth and stability of operations.

Status of non-cooperation with previous CRA:

CRA	Status	Date of Release
Brickworks	[BWR]D/[BWR]D; ISSUER NOT COOPERATING	June 22, 2023
Infomerics	[IVR]D/ [IVR]D; ISSUER NOT COOPERATING	December 19, 2023

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2025)			Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. Crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in	Date & Rating in	Date & Rating in
					Apr 15, 2024	Feb 22, 2023	Dec 16, 2021	Oct 19, 2020
1	Cash Credit	Long Term	14.00	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING
2	Term Loan	Long Term	13.00	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING
3	Interchangeable	Short Term	(8.50)	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING
4	Non-Fund Based	Short Term	13.25	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING
5	Unallocated	Long Term/ Short Term	0.07	-	[ICRA]D/[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D/[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D/[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D/[ICRA]D ; ISSUER NOT COOPERATING

Complexity level of the rated instrument

Instrument	Complexity Indicator
Cash Credit	Simple
Term Loan	Simple
Interchangeable	Very Simple
Non-Fund Based	Very Simple
Unallocated	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	14.00	[ICRA]D; ISSUER NOT COOPERATING
NA	Term Loan	-	-	-	13.00	[ICRA]D; ISSUER NOT COOPERATING
NA	Interchangeable	-	-	-	(8.50)	[ICRA]D; ISSUER NOT COOPERATING
NA	Non-Fund Based				13.25	[ICRA]D; ISSUER NOT COOPERATING
NA	Unallocated	-	-	-	0.07	[ICRA]D/[ICRA]D; ISSUER NOT COOPERATING

Source: Jay Formulations Limited

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

ANALYST CONTACTS

Shamsher Dewan

+91 124 4545328

shamsherd@icraindia.com

Subhechha Banerjee

+91 33 7150 1151

subhechha.banerjee@icraindia.com

Sweety Shaw

+91 33 7150 1182

sweety.shaw@icraindia.com

RELATIONSHIP CONTACT

Mr. L. Shivakumar

+ 022-61693300

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



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